

Offutt AFB Housing Privatization Beat



June 2002
Volume I, Issue 4



Getting Comfortable

As we near the middle of 2002, we inch ever closer to the housing privatization effort being implemented at Offutt. It appears that more and more people are understanding and, more importantly, beginning to get comfortable with how privatization is going to work. Although this can be somewhat attributable to Civil Engineering's increased efforts to get the word out, it is also testament to how you are helping to spread that word. We here at "the Beat" applaud your efforts and urge you to continue.

One aspect of privatization that tends to make people uncomfortable is the apparent complete loss of control of the housing process by the Air Force. This month's "Feature" explains what the Air Force will do to ensure they still have a major role in how things are executed. The "Question of the Month", meanwhile, focuses on how and why privatization allows members of the general public to live on base.

This might appear to be like flogging a dead horse but if you have any ideas or suggestions on what you'd like to see discussed in our "Feature" section or anything you'd like presented differently, please contact Mr. Chris Wolf of Booz Allen Hamilton (contact information provided at the end of the newsletter).

What's New?

Request For Proposal (RFP) Still Open - There are still issues that need to be resolved before the RFP is released. Air Staff will be completing their review next and during that time, there is still an opportunity for you to raise questions about what is specified in the RFP. If you want to learn more about what the RFP is, please read the March Issue of "the Beat". If you want to get a first hand look at what the Offutt housing privatization RFP will include, review the Statement of Need (SON) posted on the privatization web site. The SON is very similar to what the final RFP will look like and allows interested business entities and other parties to get a preview of what to expect.

Being a Good Neighbor - It is extremely important for Offutt AFB to continue its strong relationship with the local community. Because housing privatization may have some impacts to the City of Bellevue, a variety of briefings have been conducted or scheduled to educate and gain support for the project. A briefing to the Bellevue City Council yielded additional requests from "Leadership Bellevue", an organization of local business leaders,

and the Bellevue Rotary. A briefing to the Bellevue Chamber of Commerce is also likely in the near future.

Utilities - Major meetings were held between the Offutt housing privatization team and each current utility provider. The purpose of the meetings was to discuss concerns and ensure all parties are up to speed on how utilities are going to be managed after privatization is initiated. Results were very positive and everyone is working together to ensure a smooth transition.

Covering all the "Bases" - Several questions have come up regarding the progress of some of the other bases going through privatization. There are in fact only a handful of Air Force installations that are ahead of Offutt. And there are fewer still that have actually completed construction of new housing. Below are photographs of some of the privatized housing units that have been completed so far.



Lackland AFB



Robins AFB



Elmendorf AFB

Web Page Article - An article featuring the Offutt Housing Privatization Web Page was published in the June 21, 2002 issue of the *Air Pulse*. If you are an active reader of this publication, you are most likely also familiar with the other aspects of the web page. Even if this is the case, you are encouraged to read the article and perhaps pick up on something you previously weren't aware of. Also, please encourage others who may have missed the article to give it a quick glance.



The MRC



After the housing units are conveyed to the developer, the Air Force will still have a significant interest in how the privatization project is managed and executed. In other words, the developer isn't going to be given *carte blanche* rule over military housing. The Air Force not only needs to make sure the developer performs in accordance with the terms of "the deal" but more importantly, work to protect the interests of the military families occupying the units.

The Management Review Committee (MRC) is the entity the Air Force will use to oversee the developer throughout the privatization effort. It will be chaired by the Wing Commander and consist of several other contributing members (see diagram below). Although the actual extent of the MRC's authority and responsibility is still being worked, one thing it will definitely provide is a forum for raising and resolving concerns for all parties involved.

Air Force Management Review Committee (MRC)

WG/CC (Chair)

BCE
Housing Office
55 CONS
55 WG/JA

55 WG/FM
Tenant Rep(s)
Developer Rep
City of Bellevue

An important aspect to note regarding the MRC is the inclusion of tenant representatives. This will give housing occupants a much needed voice and go a long way towards eliminating the fear tenants often have of being "bullied" by the landlord. Having the opportunity to express concerns directly to the Wing Commander (and in the presence of the developer) is expected to be an affective way to ensure results. As mentioned in last month's issue, this is regarded as a major benefit to living in privatized housing that will most likely not be available downtown.

One of the major responsibilities of the MRC, as specified in the RFP, is the annual review and approval of the developer's estimated utility allowance calculations. This is crucial in that it impacts how much of a military member's Base Allowance for Housing (BAH) will be set aside to cover utilities. The MRC having this power provides the "checks and balances" needed to ensure the calculations are valid and based on sound data. This is only one example of how the MRC will be integrated into the housing privatization process. Information regarding the MRC will continue to be distributed as the roles and responsibilities become more refined.

The Air Force will have other involvement in addition to the MRC. For example, the Air Force will conduct its own design reviews and construction quality assurance to ensure the requirements identified in the developer's proposal are fulfilled. The Base Housing Management Office will also remain open and

continue to perform referral services and aid members in setting up allotments, locating suitable housing downtown (if desired), and resolving other housing issues.

The most important thing to realize from this discussion is that with privatization, the Air Force is not abandoning its commitment to providing housing and associated services to its members. In fact, revitalizing housing units and communities while simultaneously implementing management features such as the MRC, will only strengthen this commitment.

????????Question of the Month????????

Why on Earth, is the Air Force going to allow members of the general public to live in base housing?

The reason privatization allows other than referred military members to occupy base housing is that the Air Force is unable to guarantee occupancy. Without this guarantee, it is not reasonable to expect the developer to simply let the units go empty and still be able to generate the capitol necessary to complete the construction, maintenance, and continuous improvement requirements specified in the RFP.

Although it is true that members of the general public *may* be eventually allowed to reside in *some* of the privatized units, let's clarify what needs to happen before it can even have the chance of occurring. In order for the developer to offer units to other than referred military members, the housing occupancy must fall below 95% for three consecutive months. Then, even if it does dip under this percentage, the number of units offered will only be the number required to bring the occupancy rate back to 95%. Also, before the general public becomes eligible, the developer must go through an exhaustive priority list that includes other military members, retirees and others (see **Fact Sheet** for complete list).

Another aspect of the non-referred policy that is important to realize are that the terms for these leases will only be for one year. After the year expires, if occupancy rates are back above 95%, the public occupant will not be allowed to renew the lease. Also, rent for non-referred tenants will be based on the market rate and not on BAH

Obviously a key to reducing the probability of this ever happening is to ensure the 95% occupancy rate is maintained. To help this, the privatization team focused significant effort in determining the number of units really needed to support military families at Offutt. This analysis factored in post A-76 manning numbers and resulted in a decrease of 341 housing units. With this and all the other factors described above in mind, the Air Force is confident that the chances of the general public living in privatized housing are highly unlikely.

What's Next?

■ Advertise RFP

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Direct all questions to the CPM, Mr. Chris Wolf of Booz Allen Hamilton, at 294-1149 or e-mail at christopher.wolf@offutt.af.mil